capital, promoting economic revitalization, and creating jobs. They are committed to serving the urban and minority communities in which they are located and the people and businesses that reside there. We need them.

Minority-owned financial institutions comprise only about two percent of all financial institutions and a significantly lower percentage of total industry assets. We must do all that we can to support, protect and promote these institutions.

This bill, H.R. 4043, the Preserving and Expanding Minority Depository Institutions Act, is an important step. Existing law requires that the Office of Thrift Supervision (OTS) and the Federal Deposit Insurance Corporation (FDIC) consult with the Department of the Treasury on methods to preserve, encourage and promote minority ownership of depository institutions and provide technical assistance, training and education programs.

H.R. 4043 would direct the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency to help preserve, encourage and expand minority-owned financial institutions by participating in those activities. In addition, the bill would require each of the participating agencies to submit an annual report to the Congress on actions taken to implement the law.

Mr. WATT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. WATT) that the House suspend the rules and pass the bill, H.R. 4043, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY ACT OF 2007

Mr. MAHONEY of Florida. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2930) to amend section 202 of the Housing Act of 1959 to improve the program under such section for supportive housing for the elderly, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Section 202 Supportive Housing for the Elderly Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—NEW CONSTRUCTION REFORMS

SEC. 101. PROJECT RENTAL ASSISTANCE.

Paragraph (2) of section 202(c) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2)) is amended—

(1) by inserting after ''ASSISTANCE.—'' the following: ''(A) INITIAL PROJECT RENTAL ASSISTANCE CONTRACT.—'';

(2) in the last sentence, by striking ''may'' and inserting ''shall''; and

(3) by adding at the end the following new subparagraph:

''(B) RENEWAL OF AND INCREASES IN CONTRACT AMOUNTS.—

''(i) EXPIRATION OF CONTRACT TERM.—Upon the expiration of each contract term, the Secretary shall adjust the annual contract amount to provide for reasonable project costs, and any increases, including adequate reserves, supportive services, and service coordinators, except that any contract amounts not used by a project during a contract term shall not be available for such adjustments upon renewal.

''(ii) EMERGENCY SITUATIONS.—In the event of emergency situations that are outside the control of the owner, the Secretary shall increase the annual contract amount, subject to reasonable review and limitations as the Secretary shall provide.''.

SEC. 102. SELECTION CRITERIA.

Subsection (f) of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q(f)) is amended—

(1) by striking ''SELECTION CRITERIA.—'' and inserting ''INITIAL SELECTION CRITERIA AND PROCESSING.—(1) SELECTION CRITERIA.—'';

(2) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as subparagraphs (A), (B), (C), (D), (E), (G), and (H), respectively;

(3) by inserting after subparagraph (E) (as so redesignated by paragraph (2) of this subsection) the following new subparagraph:

''(F) the extent to which the applicant has ensured that a service coordinator will be employed or otherwise retained for the housing, who has the managerial capacity and responsibility for carrying out the actions described in subparagraphs (A) and (B) of subsection (g)(2);''; and

(4) by adding at the end the following new paragraph:

''(2) DELEGATED PROCESSING.—

''(A) In issuing a capital advance under this subsection for any project for which financing for the purposes described in the last two sentences of subsection (b) is provided by a combination of a capital advance under subsection (c)(1) and sources other than this section, within 30 days of award of the capital advance, the Secretary shall delegate review and processing of such projects to a State or local housing agency that—

''(i) is in geographic proximity to the property;

''(ii) has demonstrated experience in and capacity for underwriting multifamily housing loans that provide housing and supportive services;

''(iii) may or may not be providing low-income housing tax credits in combination with the capital advance under this section, and

''(iv) agrees to issue a firm commitment within 12 months of delegation.

''(B) The Secretary shall retain the authority to process capital advances in cases in which no State or local housing agency has applied to provide delegated processing pursuant to this paragraph or no such agency has entered into an agreement with the Secretary to serve as a delegated processing agency.

''(C) An agency to which review and processing is delegated pursuant to subparagraph (A) may assess a reasonable fee which shall be included in the capital advance amounts and may recommend project rental assistance amounts in excess of those initially awarded by the Secretary. The Secretary shall develop a schedule for reasonable fees under this subparagraph to be paid to delegated processing agencies, which shall take into consideration any other fees to be paid to the agency for other funding provided to the project by the agency, including bonds, tax credits, and other gap funding.

''(D) Under such delegated system, the Secretary shall retain the authority to approve rents and development costs and to execute a capital advance within 60 days of receipt of the commitment from the State or local agency. The Secretary shall provide to such agency and the project sponsor, in writing, the reasons for any reduction in capital advance amounts or project rental assistance and such reductions shall be subject to appeal.''.

SEC. 103. DEVELOPMENT COST LIMITATIONS.

Section 202(h)(1) of the Housing Act of 1959 (12 U.S.C. 1701q(h)(1)) is amended, in the matter preceding subparagraph (A), by inserting ''reasonable'' before ''development cost limitations''.

SEC. 104. OWNER DEPOSITS.

Section 202(j)(3)(A) of the Housing Act of 1959 (12 U.S.C. 1701q(j)(3)(A)) is amended by inserting after the period at the end the following: ''Such amount shall be used only to cover operating deficits during the first three years of operations and shall not be used to cover construction shortfalls or inadequate initial project rental assistance amounts.''.

SEC. 105. DEFINITION OF PRIVATE NONPROFIT ORGANIZATION.

Subparagraph (B) of section 202(k)(4) of the Housing Act of 1959 (12 U.S.C. 1701q(k)(4)(B)) is amended by inserting before the semicolon the following: ''; except that, in the case of any national organization that is the owner of multiple housing projects assisted under this section, the organization may comply with clause (i) of this subparagraph by having a local advisory board to the governing board of the organization the membership which is selected in the manner required under clause (i)''.

SEC. 106. PREFERENCES FOR HOMELESS ELDERLY.

Subsection (j) of section 202 (12 U.S.C. 1701q(j)) is amended by adding at the end the following new paragraph:

''(9) PREFERENCES FOR HOMELESS ELDERLY.—The Secretary shall permit an owner of housing assisted under this section to establish for, and apply to, the housing a preference in tenant selection for the homeless elderly, either within the application or after selection pursuant to subsection (f), but only if—

''(A) such preference is consistent with paragraph (2) of this subsection; and

''(B) the owner demonstrates that the supportive services identified pursuant to subsection (e)(4), or additional supportive services to be made available upon implementation of the preference, will meet the needs of the homeless elderly, maintain safety and security for all tenants, and be provided on a consistent, long-term, and economical basis.''.

SEC. 107. NONMETROPOLITAN ALLOCATION.

Paragraph (3) of section 202(l) of the Housing Act of 1959 (12 U.S.C. 1701q(l)(3)) is amended by inserting after the period at the end the following: ''In complying with this paragraph, the Secretary shall either operate a national competition for the nonmetropolitan funds or make allocations to regional offices of the Department of Housing and Urban Development.''.

TITLE II—REFINANCING

SEC. 201. APPROVAL OF PREPAYMENT OF DEBT.

Subsection (a) of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended—

(1) in the matter preceding paragraph (1), by inserting '', for which the Secretary's consent to prepayment is required'' after ''Act)'';

(2) in paragraph (1)—

(A) by inserting ''project-based'' before ''rental assistance payments contract'';

(B) by inserting ''project-based'' before ''rental housing assistance programs''; and

(C) by inserting '', or any successor project-based rental assistance program,'' after ''1701s))''; and

(3) in paragraph (2)—

(A) by inserting ''(A)'' before ''a lower''; and

(B) by inserting before the period at the end the following: '', or (B) a transaction in which the project owner will address the physical needs of the project, but only if, as a result of the refinancing (i) the rent charges for unassisted families residing in the project do not increase or such families are provided rental assistance under a senior preservation rental assistance contract for the project pursuant to subsection (e), and (ii) the overall cost for providing rental assistance under section 8 for the project (if any) does not increase''.

SEC. 202. SOURCES OF REFINANCING.

The last sentence of section 811(b) of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended—

(1) by inserting after ''National Housing Act,'' the following: ''or approving the standards used by authorized lenders to underwrite a loan refinanced with risk sharing as provided by section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1701 note),''; and

(2) by striking ''may'' and inserting ''shall''.

SEC. 203. USE OF UNEXPENDED AMOUNTS.

Subsection (c) of section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended—

(1) in the matter preceding paragraph (1), by inserting after ''tenants,'' the following: ''or is used in the provision of affordable rental housing and related social services for elderly persons by the private nonprofit organization project owner, private nonprofit organization project sponsor, or private nonprofit organization project developer,'';

(2) in paragraph (1), by striking ''not more than 15 percent of'';

(3) in paragraph (2), by inserting before the semicolon the following; '', including reducing the number of units and reconfiguring units that are functionally obsolete, unmarketable, or not economically viable'';

(4) in paragraph (3), by striking ''or'' at the end;

(5) in paragraph (4) by striking the period at the end and inserting a semicolon; and

(6) by adding at the end the following new paragraphs:

''(5) the payment to the project owner, sponsor, or third party developer of a developer's fee in an amount not to exceed—

''(A) in the case of a project refinanced through a State low income housing tax credit program, the fee permitted by the low income housing tax credit program as calculated by the State program as a percentage of acceptable development cost as defined by that State program; or

''(B) in the case of a project refinanced through any other source of refinancing, 15 percent of the acceptable development cost; or

''(6) the payment of equity, if any, to—

''(A) in the case of a sale, to the seller or the sponsor of the seller, in an amount equal to the lesser of the purchase price or the appraised value of the property, as each is reduced by the cost of prepaying any outstanding indebtedness on the property and transaction costs of the sale; or

''(B) in the case of a refinancing without the transfer of the property, to the project owner or the project sponsor, in an amount equal to the difference between the appraised value of the property less the outstanding indebtedness and total acceptable development cost.

For purposes of paragraphs (5)(B) and (6)(B), the term ''acceptable development cost'' shall include, as applicable, the cost of acquisition, rehabilitation, loan prepayment, initial reserve deposits, and transaction costs.''.

SEC. 204. USE OF PROJECT RESIDUAL RECEIPTS.

Paragraph (1) of section 811(d) of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended—

(1) by striking ''not more than 15 percent of''; and

(2) by inserting before the period at the end the following: ''or other purposes approved by the Secretary''.

SEC. 205. ADDITIONAL PROVISIONS.

Section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note) is amended by adding at the end the following new subsections:

''(e) SENIOR PRESERVATION RENTAL ASSISTANCE CONTRACTS.—Notwithstanding any other provision of law, in connection with a prepayment plan for a project approved under subsection (a) by the Secretary or as otherwise approved by the Secretary, to prevent displacement of elderly residents of the project in the case of refinancing or recapitalization and to further preservation and affordability of such project, at the election of the private nonprofit organization owner of the project, the Secretary shall provide project-based rental assistance for the project under a senior preservation rental assistance contract, as follows:

''(1) Assistance under the contract shall be made available to the private nonprofit organization owner—

''(A) for a term of at least 20 years, subject to annual appropriations, and

''(B) under the same rules governing project-based rental assistance made available under section 8 of the Housing Act of 1937.

''(2) Any projects for which a senior preservation rental assistance contract is provided shall be subject to a use agreement to ensure continued project affordability having a term of the longer of (A) the term of the senior preservation rental assistance contract, or (B) such term as is required by the new financing.

''(f) FLEXIBLE SUBSIDY DEBT.—The Secretary shall waive the requirement that debt for a project pursuant to the flexible subsidy program under section 201 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a) be prepaid in connection with a prepayment, refinancing, or transfer under this section of a project if such waiver is necessary for the financial feasibility of the transaction and is consistent with the long-term preservation of the project as affordable housing.

''(g) PREPAYMENT WHEN SECRETARY'S CONSENT NOT REQUIRED.—In connection with the prepayment under this section of a loan for which the Secretary's consent to prepayment is not required, at the project owner's election—

''(1) all tenants of the project shall be eligible for enhanced vouchers in accordance with section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)); or

''(2) if the project will continue to be owned by a private nonprofit organization owner, such private nonprofit organization owner may enter into a senior preservation rental assistance contract with the Secretary in accordance with subsection (e).

''(h) DEFINITION OF PRIVATE NONPROFIT ORGANIZATION.—For purposes of this section, the term 'private nonprofit organization' has the meaning given such term in section 202(k) of the Housing Act of 1959 (12 U.S.C. 1701q(k)).''.

SEC. 206. STUDY OF MORTGAGE SALE DEMONSTRATION.

(a) STUDY.—The Secretary of Housing and Urban Development shall conduct a study to evaluate the estimated costs and potential benefits of carrying out a program under which the Secretary may sell mortgages associated with loans made under section 202 of the Housing Act of 1959 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act) in accordance with the terms for sales of subsidized loans on multifamily housing projects under section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11), and of carrying out a demonstration program for sales of portfolios of such mortgages to housing finance agencies in three States. In conducting such study, the Secretary shall place particular emphasis on determining whether the asset management functions and activities related to such loans and properties could be accomplished pursuant to such sales in a timely, effective, and efficient manner, including an analysis of the potential impacts on approvals of refinancings and preservation transactions, rent increase requests, and withdrawals from reserves or residual receipts (in cases in which there is no contract administrator).

(b) REPORT.—Not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act, the Secretary shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the findings of the study and any recommendations for implementing such a program and such a demonstration.

TITLE III—ASSISTED LIVING FACILITIES

SEC. 301. DEFINITION OF ASSISTED LIVING FACILITY.

Section 202b(g) of the Housing Act of 1959 (12 U.S.C. 1701q–2(g)) is amended by striking paragraph (1) and inserting the following new paragraph:

''(1) the term 'assisted living facility' means a facility that—

''(A) is owned by a private nonprofit organization; and

''(B)(i) is licensed and regulated by the State (or if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located); or

"(ii)(I) makes available, directly or through recognized and experienced third party service providers, to residents at the resident's request or choice supportive services to assist the residents in carrying out the activities of daily living, such as bathing, dressing, eating, getting in and our of bed or chairs, walking, going outdoors, toileting, laundry, home management, preparing meals, shopping for personal items, obtaining and taking medication, managing money, using the telephone, or performing light of heavy housework, and which may make available to residents home health care service, such as nursing and therapy, and certain health related services; and

"(II) provides separate dwelling units for residents, each of which may contain a full kitchen and bathroom and which includes common rooms and other facilities appropriate for the provision of supportive services to the residents of the facility; and".

SEC. 302. MONTHLY ASSISTANCE PAYMENT UNDER RENTAL ASSISTANCE.

Clause (iii) of section 8(o)(18)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(18)(B)(iii)) is amended by inserting before the period at the end the following: ", except that a family may be required at the time the family initially receives such assistance to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such an amount or percentage as the Secretary deems appropriate".

TITLE IV—FACILITATING AFFORDABLE HOUSING PRESERVATION TRANSACTIONS

SEC. 401. USE OF SALE OR REFINANCING PROCEEDS.

Notwithstanding any other provision of law, in connection with the sale or refinancing of a multifamily housing project, or the transfer of an assistance contract on such a property, that requires the approval of the Secretary of Housing and Urban Development, the Secretary shall not impose any condition that restricts the amount or use of sale or refinancing proceeds, or requires the filing of a financial report, unless such condition is expressly authorized by an existing contract entered into between the Secretary (or the Secretary's designee) and the project owner before the imposition of a condition prohibited by this section or is a general condition for new financing with a mortgage insured by the Secretary. Any such condition previously imposed by the Secretary after January 1, 2005, shall, at the option of the project owner, be considered void and not enforceable, and any agreement containing such a condition shall be rescinded and may be reissued without the void condition.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. MAHONEY) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 20 minutes.

The Chair recognizes the gentleman from Florida.

GENERAL LEAVE

Mr. MAHONEY of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MAHONEY of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House of Representatives has the ability to improve the lives of thousands of seniors across the country with the passage of H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007. As our elderly population grows, the need for affordable housing will also increase. In 2005, there were approximately 37 million Americans over the age of 65. According to the U.S. Census Bureau, the number of seniors is expected to grow rapidly during the next few decades. In addition, today's seniors are facing economic uncertainty. In my home State of Florida, the toxic cocktail of rising gas prices, skyrocketing property taxes and exorbitant homeowners insurance has forced seniors to make difficult choices between paying their mortgage, putting food on the table or purchasing lifesaving medication.

Despite this increase in demand, the number of affordable housing units is shrinking. According to the Joint Center for Housing, for every unit of affordable housing constructed, two are lost either by the conversion of affordable housing to market rate housing or by sponsors of section 202 housing opting out of the program when their contracts expire.

In 2002, Congress created a bipartisan commission to study the need for affordable housing and supportive services for the elderly. In the commission's report to Congress entitled "A Quiet Crisis in America," they stated that "this Nation, despite competing demands for national resources, must respond to the critical need for affordable housing and home and community-based supportive services, with a substantial financial commitment and effective policies." The report also concluded that "all seniors, no matter what their individual circumstances and resources, should be able to continue to live where they prefer regardless of their income, with the services they need to maintain personal dignity and quality of life."

One of the most important responsibilities we have as a society is to ensure that our seniors, who have done everything our Nation has asked them to do, have a safe and affordable place to live. The Section 202 Supportive Housing for the Elderly Act is a step in achieving this goal. This important piece of legislation will give the owners of 202 facilities the ability to leverage the property's equity, access much-needed capital and benefit from low interest rates from private lenders. By doing so, this legislation will ensure that these facilities are preserved and improved to meet the changing needs of seniors.

In addition, the bill allows for funding to be used to increase the services that section 202 communities provide for their residents, allowing them to live a more independent life. Finally, this bill will assist seniors living in older section 202 facilities by extending them rental assistance. This provision will allow owners to preserve these properties without the risk of displacing poor residents.

I have seen firsthand how important these facilities are to our communities. I visited Villa Assumpta in Jensen Beach, Florida, a section 202 facility run by Catholic Charities, and Presbyterian Homes of Port Charlotte, Florida, operated by the Presbyterian Association of Homes and Services for the Aging. I have met with the residents and I have heard their life stories, residents like Ruth Justice. Mrs. Justice lived in a mobile home in Stuart, Florida, for almost 40 years until Hurricane Wilma ripped the roof off of her home. Fortunately, Ruth was able to escape from the hurricane with her piano, trumpets and other instruments she and her husband had collected over the years. However, no matter how much she loved her music and her musical instruments, it couldn't ease the financial burden that she faced with a new place which ate up her entire monthly Social Security check. Ruth felt like she had no place to turn. Thank God for Catholic Charities and Villa Assumpta.

Fortunately, Ruth was one of the lucky ones. For seniors in need of low-income housing who qualify for one of Villa Assumpta's 99 units, waits can be more than 2 years. I was moved by stories like Ruth's and how much this housing means to our seniors. After years of working to live the American Dream, many of these seniors find themselves with monthly incomes of $800 or less. Without the section 202 housing, where would Ruth and her friends be? Where are the seniors living tonight that are on Villa Assumpta's 2-year waiting list? On our streets? We have a responsibility to make sure that we provide affordable housing to our seniors and we can start by passing this important legislation.

Mr. Speaker, the Section 202 Supportive Housing for the Elderly Act is an example of what this Congress can achieve when it works together in a bipartisan fashion. First, the bill was reported out of the Financial Services Committee by a unanimous vote. Secondly, following the committee's consideration of H.R. 2930, we worked closely with my colleague from West Virginia (Mrs. CAPITO) to ensure that the bill meets the needs of rural communities.

Under current law, HUD is required to reserve 15 percent of program funds for the development of units in non-metropolitan areas. Unfortunately, the small number of units that are reserved do not provide an adequate incentive for developers to undertake such projects. As a result, rural communities often face severe shortages of section 202 units. The new provision added by Mrs. CAPITO will provide HUD with greater flexibility by allowing the Department to allocate funding for non-metropolitan units on a regional or national scale. I would like to thank her for her work to further strengthen the bill and to ensure that all of our communities, whether they be urban or rural, have access to the program.

Mr. Speaker, the section 202 program is a great example of how the Federal Government can work with religious institutions to provide needed services to our communities. Many of the section 202 facilities are run by religious organizations. I am proud that this legislation is being supported by more than 30 organizations that provide housing to the elderly, including Catholic Charities, Lutheran Services of America and United Jewish Communities.

Mr. Speaker, at this time I would like to insert into the RECORD a letter from these groups expressing their strong support for H.R. 2930.

H.R. 2930—SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY ACT OF 2007 ENDORSEMENT LETTER

We, the undersigned organizations, write in strong support of H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007. Under the current Section 202 law, the development and preservation of senior housing can be time-consuming and bureaucratic at a time when demand for supportive senior housing is exploding and the loss of affordable housing exceeds new construction. We believe that this legislation is sorely needed to streamline and simplify the development and preservation of affordable, supportive, senior housing for increased participation by not-for-profit developers, private lenders, investors, and state and local funding agencies.

The current Section 202 program is a capital advance grant for the construction of new supportive senior communities with a project rental assistance contract to subsidize very low-income elderly renters. Even though the award now comes in the form of a grant, HUD engages in a protracted ''underwriting'' process that often increases red tape, delays the development process, and results in escalated costs, particularly when Section 202 funds are combined with the Low Income Housing Tax Credit. To promote efficiency and streamline the processing of new developments, the proposed legislation will delegate the processing of the Section 202 capital advance grants to state or local entities with expertise in housing development. We know that this will ensure that supportive senior housing will be open more quickly to serve our Nation's most vulnerable seniors, particularly in combination with tax credits.

Many older Section 202 facilities are in need of repair, rehabilitation or modernization, but most of them do not have the funds to retrofit their buildings to accommodate the present and future needs of their residents. The current Section 202 statute permits Section 202 providers to refinance ad use the substantial equity in these projects to fund the much needed rehabilitation, extend the lives of these properties, and provide an enhanced supportive environment for seniors as they age in place. Unfortunately, these preservation deals have been stymied by illogical decisions from HUD. Title II of H.R. 2930 would make a number of technical changes in the statute to enhance the ability of organizations to recapitalize and preserve existing Section 202 housing and enhance supportive services.

This legislation would require rather than permit HUD to approve reconfiguration of obsolete efficiencies into 1-bedroom units where providers are experiencing high vacancy rates, allow the use of excess proceeds to further the non-profits' housing and services mission, permit the subordination of debt and other important tools that would make preservation easier to achieve. Most importantly, H.R. 2930 will establish a new project based rental assistance program to allow those Section 202 properties built between 1959 and 1974, the oldest segment of the 202 inventory, that do not currently have rental assistance to be refinanced and rehabilitated and receive project based rental assistance. This will enable sponsors to prevent displacement and continue serving low-income seniors.

We want to thank Congressman Mahoney for introducing this important legislation. We believe these reforms are absolutely necessary to ensure more units are built and preserved more quickly.

The changes this legislation offers represent a comprehensive federal policy change to meet the affordable housing needs of low-income seniors. Without these reforms, our most vulnerable seniors will face displacement, homelessness, or premature institutionalization. We encourage you to support H.R. 2930 and a national commitment to the development and preservation of supportive, affordable senior housing.

Sincerely,

Aging Services of California.
Alliance for Retired Americans.
American Association of Homes and Services for the Aging.
Association of Jewish Aging Services of North America.
Association of Jewish Family & Children's Agencies.
B'nai B'rith International.
Catholic Charities.
Elderly Housing Development and Operations Corporation.
Florida Association of Homes and Services for the Aging.
Indiana Association of Homes and Services for the Aging.
Iowa Association of Homes and Services for the Aging.
Jewish Federation of Metropolitan Chicago.
Life Services Network of Illinois.
LifeSpan Network.
Local Initiatives Support Corporation.
Lutheran Services in America.
National Association of Area Agencies on Aging.
National Affordable Housing Management Association.
National Church Residences.
National Council on Aging.
National Housing Trust.
New Jersey Association of Home and Services for the Aging.
National Housing Trust.
National Leased Housing Association.
National Low Income Housing Coalition.
New York Association of Homes and Services for the Aging.
Oregon Alliance of Senior and Health Services.
Stewards of Affordable Housing for the Future.
United Jewish Communities.
Volunteers of America.
Washington Association of Housing and Services for the Aging.

In closing, I would like to thank Chairman FRANK and Representative MAXINE WATERS for their leadership in this area of affordable housing. I would also like to thank their staffs, Meredith Connelly, Scott Olson and Jonathan Harwitz, for their hard work and commitment to this legislation. Their efforts will help thousands of seniors live their lives with the dignity that they deserve.

Mr. Speaker, I would ask my colleagues to stand up for our seniors by voting ''yes'' for H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007.

I reserve the balance of my time.

Mrs. CAPITO. Mr. Speaker, today I rise in strong support of H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007. I would like to thank my colleague from Florida for all of his good, hard work and the leadership of the committee, the Financial Services Committee, for the work they have done on this.

Affordable housing with supportive services is a key component for seniors seeking to stay in their homes and to ''age in place.'' The section 202 housing for the elderly program is the primary HUD program that provides housing exclusively for low-income elderly households. H.R. 2930 reforms the section 202 elderly housing program making it more effective and efficient and better able to meet the housing needs of our elderly.

Today, we are facing a growing elderly housing crisis in this country. According to the 2005 census data, there are approximately 3.6 million seniors living below the poverty line. Among senior renters, 1.29 million have worst case housing needs, meaning they spend over 50 percent of their income on housing.

The section 202 program has been an important tool in addressing these serious housing needs by providing capital advance grants to nonprofit housing sponsors to build new elderly housing facilities and project rental assistance contracts to subsidize very low-income elderly residents of these facilities. Many nonprofit sponsors are faith-based organizations with a mission to serve the elderly. As a condition of receiving a capital advance, which does not have to be repaid, a nonprofit sponsor must make housing available for a period of no less than 40 years. As a result of these efforts, the section 202 program currently supplies over 320,000 units of housing to very low-income elderly citizens.

While the section 202 program has been successful at providing much-needed housing resources to our very low-income seniors, it is estimated that 10 seniors are waiting for each unit that becomes available. Participants and developers of the section 202 housing program maintain that the current regulation and HUD administration of the program can be time consuming and bureaucratic. H.R. 2930 will improve the section 202 elderly housing program by streamlining and simplifying the development and preservation of HUD's section 202 properties and by increasing participation by not-for-profit developers, private lenders, investors and State and local funding agencies.

I do want to point out to my colleagues that the bill we are considering on the floor today includes several changes to the bill reported out of the Committee on Financial Services on September 25. While the bill as reported did have a $94 million cost for fiscal year 2008 and a $212 million cost over 5 years, those costs have been removed by the elimination of the mortgage sale demonstration program and the subordination or assumption of existing debt provisions. The Congressional Budget Office now reports the costs associated with this bill to be insignificant.

I would also like to thank my colleagues and Chairman FRANK in particular for his willingness to work with me on a provision to resolve a problem that non-metropolitan States like my home State of West Virginia have experienced when attempting to qualify for funds under the section 202 program. It is important to recognize that the need for housing for the very low-income elderly extends beyond metropolitan areas and it needs the flexibility for rural and suburban areas to be able to qualify for these funds. The very low-income elderly of rural West Virginia deserve the very same resources available to the elderly in the larger areas.

H.R. 2930 now includes provisions to establish a national competition for non-metro elderly housing funds and will allow regional offices to administer elderly housing allocations. This greater flexibility will help create more elderly housing units in rural States like mine.

I would like to pause and thank the housing advocates in my State of West Virginia for bringing this issue before me in a very timely manner so we could fix this while we are dealing with the section 202 program. So I want to thank my fellow West Virginians for helping us out here.

Mr. Speaker, the affordable rental housing crisis in America is having a profound effect on renters of all ages, especially our seniors, and this bill will help ease some of the affordability problems plaguing our senior population.

I urge my colleagues to support H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007.

I reserve the balance of my time.

Mr. MAHONEY of Florida. Mr. Speaker, I would like to yield 2 minutes to my distinguished friend from Vermont (Mr. WELCH).

Mr. WELCH of Vermont. I thank very much my colleague, Mr. MAHONEY, for his excellent work on this legislation and Mrs. CAPITO for her excellent work on this bipartisan legislation.

It is incredibly important to America's seniors, Vermont's seniors, that they have security in housing as they age. And that is a challenge because we are getting more folks older and incomes are not keeping up. H.R. 2930 addresses the issue in a timely and overdue way.

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It improves HUD's section 202 program, providing low-income elderly households access to affordable places to live. It is the only program that provides housing exclusively for the elderly. Established in 1959, it makes capital grants and project rental assistance available to developers so they can build housing that is affordable to low-income elderly households. Over 320,000 housing units are currently available.

But it is not enough. There are 10 seniors waiting and in need for every housing unit that is available, and approximately 3.6 million of our seniors across the country in every State live in poverty. This bill is going to help make a down payment on what needs to be done. The U.S. population is aging; 12.4 percent are over 65, but in 18 years that is going to be 20 percent. We are going to need 730,000 units of housing. So I thank the sponsors, the leaders, to begin the process of moving forward.

I want to mention just in a very practical way something that Mrs. CAPITO said. Housing is a partnership. What it does is unleash the activities of volunteers in our communities and housing advocates, and they brought this to our attention.

Grand Way Commons in Vermont, opened by the Cathedral Square Corporation, is going to have a housing project that is going to help 63 families, seniors, have access to housing, and they are combining it with services from United Way, from AARP and from the Vermont Nurses Association.

Mr. Speaker, I urge a strong vote in support of moving ahead for senior housing.

Mrs. CAPITO. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. MAHONEY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Mr. Speaker, I too want to thank Mrs. CAPITO, Chairman FRANK, Chairman WATERS, and also Mr. MAHONEY from Florida for his great work on this.

Mr. Speaker, as a cosponsor of H.R. 2930, I am pleased to support this bipartisan legislation to reform and strengthen HUD's section 202 senior housing program.

Mr. Speaker, affordable rental housing is essential to low-income seniors living on fixed income. In fact, according to the AARP, there are at least 10 seniors now on waiting lists for every unit of section 202 housing that becomes available. However, in the meantime, for every unit of affordable housing that we create, two are being lost either through the conversion process to market-rate housing or by sponsors who are opting out of the program when their contracts expire. As a result, preserving our existing section 202 senior housing is and should be a national priority.

H.R. 2930 eases the development and preservation of section 202 housing for the elderly by reducing administrative burdens while simultaneously expanding the available options for recapitalization. This bill will give the owners of these communities the ability to leverage the equity in those properties. It will also allow them to access much-needed capital and benefit from the current low interest rates being offered by private lenders.

Mr. Speaker, by delegating the processing of these capital advances to State housing agencies with staff and experience in housing development, the section 202 process will be aided and made more efficient.

Mr. Speaker, as President John F. Kennedy once said to Congress nearly 45 years ago, "The gradual increase in lifespan in our country and the number of our senior citizens who find themselves in later years dependent on affordable housing presents this Nation with increased opportunities. The increased life expectancy presents opportunities to draw upon the skills of our senior citizens and their wisdom and sagacity, and the opportunity to provide the respect and recognition that they have earned in their later years. It is not enough for a great Nation merely to have added years to their lives. Our objective must also be to add new life to those years."

I encourage my colleagues to support the growing population of seniors in our country, of these most vulnerable citizens in our country, by voting for this important bipartisan measure to aid the elderly in the section 202 program.

Again, I would like to thank my colleague from Florida, Mr. MAHONEY, for spearheading this important legislation.

Mr. MAHONEY of Florida. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. MAHONEY) that the House suspend the rules and pass the bill, H.R. 2930, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SECURITIES LAW TECHNICAL CORRECTIONS ACT OF 2007

Mr. SCOTT of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3505) to make various technical and clerical amendments to the Federal securities laws, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Securities Law Technical Corrections Act of 2007".